

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6304

BILL NUMBER: HB 1284

DATE PREPARED: Nov 15, 2000

BILL AMENDED:

SUBJECT: Prosecuting attorneys' pensions.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the monthly benefits payable to participants, survivors, and beneficiaries under the Prosecuting Attorneys Retirement Fund to be increased by the same percentages and under the same conditions as monthly benefits are increased for members of PERF. It provides that a member of the Prosecuting Attorneys Retirement Fund is not required to make contributions to the fund after the member has contributed to the fund for 22 years. The bill reduces from ten to eight the number of years required to vest as a member of the Prosecuting Attorneys Retirement Fund. It increases the percentages used in computing retirement benefits under the Prosecuting Attorneys Retirement Fund. The bill changes the reduction factor for retirement before 65 years of age. (The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Effective Date: July 1, 2001.

Explanation of State Expenditures: *Prosecuting Attorneys Retirement Fund*

There will be an increase in annual funding of \$1.26 million. The costs of the various provisions of the bill are described in the following table. The fund affected is the State General Fund.

	Increase in Annual Funding
(1) Cost of Living Adjustment	\$454,681
(2) Eliminates the Requirement for Member to Contribute after 22 Years of Service	\$3,687
(3) Reduces the Number of Years Required to Vest from 10 Years to 8 Years	\$64,311
(4) Increases the Percentages Used in Computing Retirement Benefits	\$621,261
(5) Changes the Reduction Factors for Retirement Before Age 65	\$116,060
Total	\$1,260,000

There are sixty full-time prosecutors in the state. The increase in accrued liabilities is estimated to be \$10.6 million.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the Prosecuting Attorneys Retirement Fund.

Local Agencies Affected:

Information Sources: Doug Todd of McCready & Keene, Inc., actuaries for PERF, and the Prosecutors Retirement Fund, 576-1508; John A. Larson, Warren County Prosecutor and Deborah Daniels, representing the Prosecuting Attorneys, 238-6255.

DEFINITIONS

Cost of living the average cost of the goods and services required by a person or family.

Unfunded Actuarial Liability (sometimes called the unfunded liability) of a retirement system at any time is the excess of its actuarial liability at that time over the value of its cash and investments.